

ARTICLES.

■ CAUGHT IN THE LOOP

Revelations of Bush's Diary

FRANCES FITZGERALD

Shortly before leaving office President Bush released edited transcripts of those portions of his tape-recorded diary describing the Iran/*contra* scandal as it unfolded in late 1986 and early 1987. All documents relevant to Iran/*contra* had been requested of Bush, as of all Reagan Administration officials concerned, by independent counsel Lawrence Walsh in February 1987, and diaries had been specifically mentioned. Bush did not, however, notify Walsh that he would give up the diary until last December 11. According to Bush's private lawyer, Griffin Bell, Bush did not hand over the diary at the time of the request because the tapes had not yet been transcribed, and the aides who responded to Walsh were unaware of its existence.

Subsequently, Bush continued to keep a diary, the purpose of which, according to Bell, was to chronicle his run for the presidency in 1988; the tapes accumulated and were from time to time sent to Bush's vice-presidential office in Houston, where they were transcribed; the tapes were erased and the typed transcripts returned to Washington, where they were stored at first in the Vice President's residence and then, when Bush became President, in a safe in the White House living quarters. According to Bell, a secretary discovered them there last September and brought them to the attention of Bush, who told White House counsel C. Boyden Gray. Transcripts relevant to Iran/*contra* were furnished to Walsh's office only after the election last November. (Walsh has requested deleted sections and has begun an investigation of the diaries' disposition before December 11.)

On December 24 Bush gave a presidential pardon to former Secretary of Defense Caspar Weinberger and five others involved in the Iran/*contra* affair. After Walsh charged that Bush was attempting to suppress the facts that would have come out at a Weinberger trial, the White House released the edited transcripts to the public.

A few weeks after the release of Bush's diary excerpts, *Time* magazine published a portion of a memoir by former Secretary of State George Shultz dealing with the same period of November and December 1986. Taken together, the two documents give a fascinating new picture of the relationship among the National Security Council principals during the attempted Iran/*contra* cover-up. Bush, as it turns out, not only knew a great deal more than he said he did about the whole affair but he approved the trade of arms for hostages and participated in the attempt to keep it a secret. His rumi-

nations to his diary, however, reveal not a sinister figure but rather a man of breathtaking shallowness.

During the 1988 campaign, journalists questioned Bush on his knowledge of the affair but elicited little more than vaguely worded denials. In his campaign autobiography published the preceding year, Bush gave what would be his typical response to press inquiries. What he knew, he wrote, was that "working through the Israelis, an effort had been made to 'reach out' to one of the Iranian factions, that there had been a weapons sale, and that in some way the hostage issue had become part of the project." He did not, he wrote, know more, because "the people running it had compartmentalized it like the pieces of a puzzle." Thus, he said, his first "real chance to see the picture as a whole" did not come until December 1986, when Senator David Durenberger, then chairman of the Senate Intelligence Committee, briefed him on the committee's preliminary investigation of the affair. The briefing, he said, "left me with the feeling . . . that I had been deliberately excluded from key meetings involving details of the Iran operation." Interestingly, Bush did not mention the *contra* side of the affair in his book; but on several occasions during the campaign he denied knowing anything about Lieut. Col. Oliver North's efforts to resupply the Nicaraguan guerrillas.

The transcripts prove he knew a good deal about Iran/contra.

Neither the Tower Commission, which released its report on February 26, 1987, nor the Iran/*contra* committees of Congress focused on the role of the Vice President; nonetheless they turned up a good deal of evidence to show that Bush was not as unwitting of either side of the affair as he claimed. On the *contra* side, the evidence was mostly circumstantial, but there was a great deal of it. North's activity on behalf of the *contras* was an open secret in official Washington. In the portions of the diary that were released, Bush makes only a few references to the *contra* resupply operation, and these concern speculations in the press that he might be involved in the diversion of funds from the Iran arms sales through his national security adviser's connection with a former C.I.A. agent, Felix Rodriguez. In fact, Rodriguez had nothing to do with the diversion, but he had a good deal to do with the resupply effort. While fretting about the media speculation Bush makes a number of remarks that suggest quite strongly that he knew about the resupply. Further, he maintains that he is not concerned about being publicly linked to that effort. "It still isn't bad to be seen helping the *contras* out," he says.

In its story on the diary transcripts, *The New York Times* reported that Bush "was indeed unaware of crucial aspects of the [Iran/*contra*] episode." In fact, what Bush was unaware of cannot be proved by the evidence of the transcripts—even if the transcripts are perfectly faithful to the original recording. Among other things, the tapes suggest that Bush was fully

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aware that his words would be heard, or read, by others. His self-consciousness on this point seemed to grow as the scandal unfolded. Possibly Bush was unaware of the diversion of funds: There is nothing in the transcripts to suggest otherwise. However, the transcripts are proof that he knew a good deal about the Iran initiative as well as the *contra* resupply scheme.

In respect to the Iran side of the affair, the investigative committees turned up more than circumstantial evidence of Bush's involvement. Testimony showed Bush had missed one meeting, at which the N.S.C. principals discussed trading arms for hostages, because he was away at a football game. But he had attended a meeting on August 2, 1985, and one on January 7, 1986, and he had supported the President's position while Shultz and Weinberger had vigorously dissented. Also, he had been briefed in some detail about the ongoing transactions by Amiram Nir, Colonel North's Israeli counterpart in the operation, in July 1986. The Iran initiative is the main subject of the released excerpts of the diary as the scandal came to light that November and December.

Unlike North's *contra* resupply operation, the arms-for-hostages transactions were tightly held within the Administration because, among other things, they contradicted official Administration policy. Then on November 3, 1986, the Beirut magazine *Al-Shiraa* ran a story about the transactions, and the scandal broke open. The revelation of the arms sales to Iran produced an immediate outcry from Republicans as well as Democrats.

At first, White House officials did not understand the hostile reaction. They had just obtained the release of a hostage, David Jacobsen; they were proud of the achievement and saw no reason to halt the operation. A few days later, however, they began to worry about the outcry and constructed a cover story that the arms sales were intended to further geopolitical objectives and had nothing to do with the release of hostages. During the second and third weeks of the scandal, they were destroying evidence, inventing false chronologies of the affair and, in particular, trying to conceal the facts about the two arms shipments made in 1985, both of which they themselves considered illegal.

On Saturday, November 22, Justice Department lawyers discovered a memo in North's office pointing to a diversion of funds from the Iran arms sales to the *contras*. Attorney General Edwin Meese disclosed the diversion at a press conference on November 25, and public attention shifted to it and a host of other activities that the N.S.C. staff had apparently failed to divulge to the President. Whether or not Meese intended it that way, the new revelations caused many people to conclude that the whole Iran/*contra* affair was merely a matter of Reagan's "loose management style" and the N.S.C. staff run amok. This was, however, far from the case.

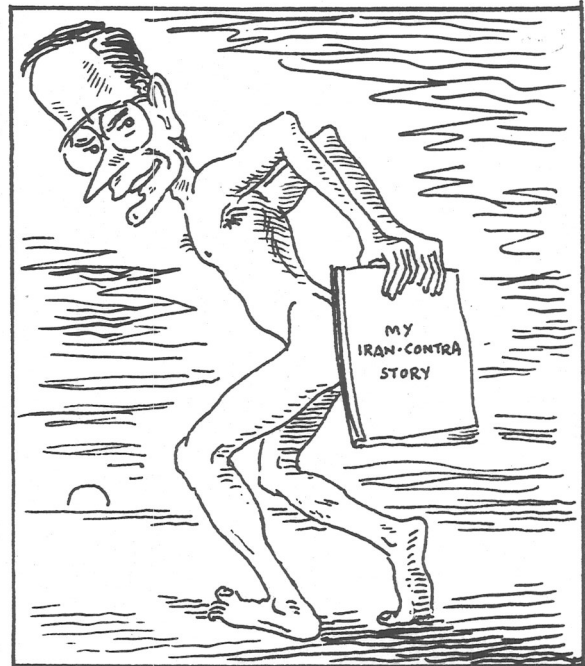
Throughout November and December 1986 Shultz waged a lonely struggle to get the facts of the Iran initiative out before the public and to stop the arms-for-hostages operation that continued under the aegis of the White House and the C.I.A. He knew only a small part of what had happened. He had been told of one arms shipment in November 1985. He had attended the meetings of N.S.C. principals in December and January, when further arms shipments had been dis-

ussed. But then, because he had expressed strong opposition, he had been officially cut out of the loop. In May 1986 he had heard rumors that the operation was still going on and had again protested. Not long afterward National Security Adviser John Poindexter and Director of Central Intelligence William Casey told him they had called a halt to the operation, but with the release of Jacobsen on November 2 and the *Al-Shiraa* story the following day, he realized this was not the case.

While still attempting to ascertain the facts of the matter, Shultz began to do battle with the N.S.C. staffers and with his colleagues to change the mind of the President and assert control over the policy. That battle, he wrote in his memoir, *Turmoil and Triumph*, was the most "brutal and intense" of his official life. His main opponents were Poindexter and Casey, both of whom were attempting to rewrite the history of the arms transactions and to continue the operation. Both tried to influence the President against him, and Casey, for one, tried to get him fired. In a November 23 letter to the President, Casey recommended that Shultz be replaced by Jeane Kirkpatrick or Nevada Senator Paul Laxalt. "The public pouting of George Shultz and the failure of the State Department to support what we did inflated the uproar," he wrote.

Weinberger proved to be no ally in this battle, and Shultz soon recognized that Bush would not help him either. But until the release of Bush's diary a few weeks ago, he could not have realized how much of an opponent he had had in the Vice President.

On November 3, the day of *Al-Shiraa's* story, Hashemi Rafsanjani, the Speaker of Iran's Parliament, described the trip made by former National Security Adviser Robert McFarlane to Iran with four other Americans in a plane carry-



ILLUSTRATIONS BY ROBERT GROSSMAN

ing military equipment plus a Bible and a cake. Two days later Bush noted in his diary*:

November 5: On the news at this time is the question of the hostages. There is some discussion of Bud McFarlane having been held prisoner in Iran for four days. I'm one of the few people that know fully the details, and there is a lot of flak and misinformation out there. It is not a subject we can talk about.*** I am hopeful that Terry Anderson will be freed very soon.

The Vice President was clearly proud of knowing all these secrets and not telling. Three days later Shultz heard Bush say on television that selling arms for hostages would be "inconceivable." The same day, Bush's adviser, Nicholas Brady (who became Secretary of the Treasury in the Bush Administration), called Shultz to ask whether he was going to resign. Shultz, according to his memoir, brought up the TV broadcast and told Brady that Bush had attended a meeting at which the arms-for-hostages transactions were discussed and had raised no objection to them. "The Vice President could get drawn into a web of lies," he said. "If he blows his integrity, he's finished."

'Shultz worries about a Watergate syndrome.'

Brady called Bush, and the next day Shultz went to see the Vice President at his residence. Shultz, according to his memoir, advanced his views, and the Vice President "admonished" him, asking whether he understood that there were "major strategic objectives" being pursued in Iran. Bush added that he thought he had to be very careful about what he said. "You can't be technically right; you have to be right," Shultz responded. And he reminded Bush of the arms-for-hostages discussion in January. There was, Shultz reports, considerable tension between the two when they parted. Bush's diary that day reads:

November 9: George Shultz came over to discuss all the goings on. Brady had been out to see him. I was concerned about talk that he might resign. I was concerned about other reports that he felt "cut out." Indeed, he had felt cut out. And, he was dealing from less than a full deck on the Iran situation. He distrusts not only North, but he feels that I'm [incoherent] in jeopardy . . . myself. He thought he had heard me say something that later proved to be a lie and his advice to me as a person interested in my future, "don't get all involved in this." I tried to point out that once the President had made his decision that we can help, we have a lot of uninformed speculation. He'd been told that the Iranian deal had been turned off last year, and I did not discuss the facts with him.

The following day Bush noted:

* In the diary excerpts quoted, White House deletions are marked in the text with three asterisks (***). Ellipses were inserted by the secretary who transcribed the diary, apparently to denote areas where Bush's comments were inaudible or unclear. Spelling, punctuation and identifications were corrected by *The Washington Post*, which ran a very lengthy selection from the diary excerpts. I have made more deletions for reasons of space. These are also marked with ellipses and are enclosed in brackets.

The idea that the N.S.C. is a loose cannon is being debated out there now, and of course, as we know, it isn't a loose cannon.

Others, the C.I.A. in particular, was [sic] involved. The report into the Congress with the new Senate may make it tougher in the future. But, though I don't like the concept of arms for hostages, there is enough removal on this and enough good things, such as the release of the hostages and contact with moderates, will in the long run—in my view—off-set this. Shultz worries about a Watergate syndrome.

Clearly Bush not only knew about the trade of arms for hostages but he thought it a good idea and saw no reason to inform the Secretary of State. On November 10 rumors reached Shultz that the arms-for-hostages operation was still going on under the direction of Poindexter and Casey. At 11:30 A.M. he attended a national security group meeting at the White House. Casey produced a draft press release saying that all the President's advisers were fully aware of the Iran operation and supported it. Later in the day the White House asked Shultz to sign a statement that said there was "unanimous support for the President's decisions." Bush, Casey, Weinberger and Meese had already cleared the statement but Shultz refused, agreeing only to say that he supported the President.

On November 12, according to testimony, Bush attended a White House briefing for Congressional leaders during which Poindexter made statements that Bush knew to be false. Bush let them stand.

On November 13, in a nationally televised address, President Reagan stated that he had authorized a small shipment of arms to Iran but not, certainly not, in a trade for hostages. The following day Bush noted: "There's friction—a little between [White House Chief of Staff] Don [Regan] and Poindexter now. But, the President bears up beautifully. He smiles when the press fire these tough questions. That is something that I have got to learn and learn better. I will keep trying."

On November 19 the President made a series of misstatements about the arms transactions at a press conference. The key errors had been briefed to him by Poindexter, who was then trying to cover up the facts about the two arms shipments made in 1985. That day and the next Shultz confronted the President with the facts as he knew them, but Reagan continued to maintain there had been no trade of arms for hostages. Bush reported in his diary:

November 20: We talked at length [over luncheon] and I suggested to the President that the only thing he could do was call a Monday meeting which he decided to do, to get the key N.S.C. players together and to get them all to lay it on the table and to just simply say, "We're going to hammer this thing out and what are you upset about, George? What are you upset about, Poindexter?"

On November 21 Attorney General Meese, who had just begun an investigation of the affair, called Shultz, and toward the end of the call said, "Certain things could be a violation of the law. The President didn't know about the Hawk shipment in November 1985. If it happened and the President didn't report it to Congress, it's a violation." Shultz, however, had already told Meese that the President had said to him that he "knew all about" the Hawk shipment.

On November 24, a Monday, Bush reported:

***Got back to the office and Ed Meese came to see me, having stuck his head in ahead of the lunch talking about we need to double check dates and be sure that everybody knew who attended what meetings. . . . Then, he laid a real bomb shell on me that Ollie North had taken the money and put it in a Swiss bank account . . . from Iran. . . . The Israelis doing that with him . . . to be used for the *contras*. They are going to blow into a major thing.

The diversion memo had been discovered on Saturday, November 22. Shultz was not informed. On November 25 Meese gave a press conference announcing the discovery of the memo and the resignations of North and Poindexter. Bush reported in his diary:

November 25: I couldn't sleep all night, thinking of what Ed Meese had told me yesterday—about what advice to try to give to the President this morning.***

The politicians will be piling on, but I am inextricably—and I would say, happily—on the President's side. [. . .] I think I've concluded that the best thing he can do is to go with the resignation of all three top people. It's tough!! It appears out of control and has some degree of reality. [. . .]

I, later in the day, went in and told the President that I really felt that Regan should go, Shultz should go and that he ought to get this all behind him in the next couple of months. I said, "If you were told correctly, that either Shultz or Poindexter have to be fired. I don't see how you can accept that kind of ultimatum. Shultz wanted to go anyway." The President is very unhappy. He keeps worrying about the people at the State Department. And, he also thinks that George [Shultz] is not backing him. I told him that I thought that one might be worked out.***[. . .]

It is awful early to know if there was any illegality.

Astonishingly, Bush was asking Reagan to fire Shultz at the very moment that it had become politically impossible—Shultz being the only one who was clearly not involved with the Iran transactions and the associated illegalities. But then Bush had an even more astonishing recommendation to make that day. As he recounted it in his diary:

On the 25th, I called the President early in the morning and made a suggestion to him that I head the investigatory panel. Bob Teeter [Bush pollster] and [Craig] Fuller [Bush's chief of staff] and I had talked about this. I told Teeter it might look so close to chicken coop that the fox would be guarding it. But, I proposed in my little memo to the President that I quietly take a polygraph test on any embarrassing questions likely to come up. I also listed some proposals such as: the C.I.A. guy not being in the Cabinet; the F.B.I., I mean the Intelligence Committee being combined into one.***

By the evidence of his diary, Bush did not change his mind about the need to fire Shultz until December 20 or 21—and then hardly for reasons of principle. "The President," he said, "has cleared the decks on the National Security Council. Given Shultz's public differing with the President, coming down 'on the right side.' You can't make a change there.***"

With all these revelations, the most embarrassing parts of Bush's diary are those in which the V.P. argues with himself about what he should do in this crisis. In these mono-



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logues Bush plays Hamlet in the court of public relations: how to appear to be? Dana Carvey could not improve on Bush's self-parody. On November 21, for example, he said:

On Poindexter, I'm concerned because today—on Friday—some new revelations that there were arms shipped in September of '85. [. . .] Ed Meese, Poindexter and Regan, excluding me, had a meeting in the White House about it. I am a statutory member. I am the one guy that can give the President objective advice and I have felt a twinge as to why the hell they didn't include me, but, on the other hand, you wind up not dragged into the mess. The other hand to that is that you can't give the President proper advice. I told [Treasury Secretary James] Baker today that I would like to find a way to help the President. Perhaps by saying, "Yes, I can understand it when McFarlane, the architect of this, now says it was a mistake in retrospect and I think all of the President's advisers, whether they were for it or against it will admit, in retrospect, it's a mistake and I expect the President would admit this, and then have the President confirm." [. . .] I told Jimmy Baker this and he is strongly opposed to my doing that. He thinks it will drag me into something that I have not been dragged into.

[. . .] In my view, the right-wingers are going to try to see if I'm going to try to separate from the President. Yet, a lot of them [. . .] have been against the President on this.***

In fact, frankly, I just don't think you can go out and separate from Reagan on this thing, although some would like to see you do it. And although there would be some short-run affirmation of character, if I would go out and say well, I've thought of this and I can no longer remain silent. I must go out and say, "I think what's happened is despicable and never should have happened in the first place." I'm not about to start that. I don't believe it. I think the President must know that he can have the Vice President for him and he must not think that he has to look over his shoulder.

Did Bush actually forget that he himself thought arms for hostages a good idea just a month before? Now he believes he is sacrificing himself for the President! In the following days, Bush waxes philosophical in his diary:

November 25: Our own people are appalled by this in Iran. Not sure where I fit in or don't fit in. Most think it is a real downer. But, my view is that you've got to take the good with the bad. You can't fine tune the opportunities. You can't jump sideways. So, you've got to weather the storm. [. . .]

I know that I have told the truth. I know that I am not going to desert the President and I know that he has told

the truth. That is really the fundamental ingredient here.

December 2: ***My mind goes back to the old Watergate days—rumor and innuendo[. . .]

December 4: The big thing was the speech on December 3. I deliberated. I did not want to look like I was pulling away from the President. [. . .] So, in my speech—after Ed [Meese] looked at it and edited it—I said mistakes were made. Of course, a lot of the press played this as distancing from Reagan.*** [. . .] But, overall, there was great rejoicing and the feeling that the speech had cleared the air.***

December 6: ***Time will tell. My stature will tell. You've got to come out of this with integrity and honor, telling the truth, supporting the President. [. . .]

December 10: I think in the long run—provided I'm right—that this whole matter will be resolved. It will be O.K., and then we can have stories out there "didn't panic," "didn't run," "didn't duck away from the President." But, I'm inclined to feel that I have been a loser out of this Iran thing, just as the President has. There was new polling numbers showing varying figures in lack of confidence and lack of believing in our telling the truth. But, that will all change as the facts come out.

At the beginning of November Bush had boasted that he knew all the facts, but by mid-December this knowledge had become inconvenient. From this point on, his diary shows him constructing his own personal cover story. It wasn't a very good cover story, in that Shultz, for one, knew it wasn't accurate. But it was his story, and he stuck to it. Furthermore, it worked just fine in the 1988 campaign.

December 19 and 20:***Saturday, Dave Durenberger and Bernie McMahon, of the [Senate Intelligence] Committee came out and briefed me on the full finding of theirs. I told Boyden Gray afterward that it almost appears that there was a deliberate effort to keep me out of the decision process. I may prove to be good, but I can't run out and . . . the press and saying I didn't know about that and I didn't know about that. If I were there I would have advised Shultz and . . .

December 20 or 21: One thing I might do is put out a chronology of what meetings I attended and let that serve as a record, 'cause on these key meetings that they are talking about, the key meetings that are disputed—it appears I was not there. I can not possibly reconstruct events. I cannot remember details and nobody can. But, I can only do my best to recall these matters.***

January 1, 1987: As I look back on '86, we come from strong front runner to behind in Iowa, bleeding slightly . . . diminished somewhat by the furor of Iran. The irony is that on many of these key meetings I was not there. The irony is that everyone says that the Vice President has no power, and yet I am the one damaged. [. . .] And, the facts are that the Vice President is not in the decision-making loop. [. . .] What it seems to me that the big problem will be is how you point out "I've learned from this . . . we're better because of it . . . we can do a better job because of all knowing this experience and not get the blame for the decision itself."***

[. . .] I told the President just before the New Year, that I was concerned that it would look like that we were indeed selling arms for hostages. He is absolutely convinced in his own mind that we weren't. I have been saying that he is convinced in that way, but the question will come, "Well, are you convinced of it?"***

Bush's answer to this question is not known. Possibly it was deleted for reasons of national security. □

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